

**IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF TEXAS
TYLER DIVISION**

REALTIME ADAPTIVE STREAMING
LLC,

Plaintiff,

v.

AMAZON.COM, INC.; AMAZON
DIGITAL SERVICES, LLC; AMAZON
DIGITAL SERVICES, INC.,

Defendants.

Case No. 6:17-cv-00549-JRG-RSP

JURY TRIAL DEMANDED

**FIRST AMENDED COMPLAINT FOR
PATENT INFRINGEMENT AGAINST AMAZON.COM, INC.**

This is an action for patent infringement arising under the Patent Laws of the United States of America, 35 U.S.C. § 1 *et seq.* in which Plaintiff Realtime Adaptive Streaming LLC (“Plaintiff” or “Realtime”) makes the following allegations against Defendants Amazon.com, Inc., Amazon Digital Services, LLC, and Amazon Digital Services, Inc. (collectively, “Defendant” or “Amazon”):

PARTIES

1. Realtime is a Texas limited liability company. Realtime has a place of business at 1828 E.S.E. Loop 323, Tyler, Texas 75701. Realtime has researched and developed specific solutions for data compression, including, for example, those that increase the speeds at which data can be stored and accessed. As recognition of its innovations rooted in this technological field, Realtime holds multiple United States patents and pending patent applications.

2. On information and belief, Amazon Digital Services, Inc. is a Delaware corporation with its principal place of business at 410 Terry Avenue North, Seattle, WA 98109. Amazon Digital Services, Inc. can be served through its registered agent, Corporation Service Company d/b/a CSC – Lawyers Incorporating Service Company,

211 E. 7th Street, Suite 620, Austin, Texas 78701-3218.

3. On information and belief, Defendant Amazon Digital Services, LLC is a Delaware limited liability company with a principal place of business at 410 Terry Avenue North, Seattle, Washington 98109. Amazon Digital Services, LLC can be served with process through its registered agent, the Corporation Services Company, 2711 Centerville Road, Suite 400, Wilmington, Delaware 19808.

4. On information and belief, Defendant Amazon.com, Inc. is a Delaware corporation with its principal office at 410 Terry Avenue North, Seattle, WA 98109. Amazon.com can be served through its registered agent, Corporation Service Company, 2711 Centerville Rd., Wilmington, DE 19808. Amazon.com, Inc. is the parent company of Amazon Digital Services, Inc. and Amazon Digital Services, LLC. Amazon.com, Inc., Amazon Digital Services, Inc. and Amazon Digital Services, LLC are collectively referred herein as “Amazon.”

5. Amazon has a regular and established place of business in this District, including, e.g., distribution facilities, employees, and other business. For example, Amazon’s property was appraised on the property tax rolls by Denton County at \$248 million and \$428,000. <https://www.dentoncad.com/api/notices/notice/699143?year=2017;> <https://www.dentoncad.com/api/notices/notice/659411?year=2017;> <https://blog.taxjar.com/amazon-warehouse-locations/> (“#DFW6 – 940 W Bethel Road Coppell, TX 75019”); <https://trustfile.avalara.com/resources/amazon-warehouse-locations/>. As another example, Amazon has its Amazon Fulfillment Center FTW3-4 at 15201 Heritage Pkwy, Fort Worth, TX 76177, which is in this District. Amazon also maintains data center(s) in Dallas/Fort Worth area, which is involved in the operation of the accused instrumentalities. Amazon offers its products and/or services, including those accused herein of infringement, to customers and potential customers located in Texas and in this District. Amazon derives financial benefits through its business in Texas and in this District. See, e.g., <http://dir.texas.gov/View-Search/Contracts->

[Detail.aspx?contractnumber=DIR-TSO-2733;](#) <https://aws.amazon.com/contract-center/cloud-services-for-the-state-of-texas/>.¹

JURISDICTION AND VENUE

6. This action arises under the patent laws of the United States, Title 35 of the United States Code. This Court has original subject matter jurisdiction pursuant to 28 U.S.C. §§ 1331 and 1338(a).

7. This Court has personal jurisdiction over Amazon in this action because Amazon has committed acts within the Eastern District of Texas giving rise to this action and has established minimum contacts with this forum such that the exercise of jurisdiction over Amazon would not offend traditional notions of fair play and substantial justice. Amazon has committed and continues to commit acts of infringement in this District by, among other things, offering to sell and selling products and/or services that infringe the asserted patents.

8. Venue is proper in this district, e.g., under 28 U.S.C. § 1400(b). Amazon is registered to do business in Texas, and upon information and belief, Amazon has transacted business in the Eastern District of Texas and has committed acts of direct and indirect infringement in the Eastern District of Texas. Amazon has regular and established place of business in this District, as set forth above.

COUNT I

INFRINGEMENT OF U.S. PATENT NO. 8,934,535

9. Plaintiff re-alleges and incorporates by reference the foregoing paragraphs, as if fully set forth herein.

¹ See also, e.g., <http://www.costar.com/News/Article/Amazon-Establishes-Austin-HQ-in-Domain-7/171852>; <http://www.datacenterknowledge.com/archives/2008/11/18/where-amazons-data-centers-are-located>; <http://www.govtech.com/computing/Texas-and-Amazon-Unite-on-Cloud-Services-Contract.html>; http://publishingext.dir.texas.gov/portal/internal/contracts-and-services/Contracts/Contract%20DIR_TSO_2733.pdf.

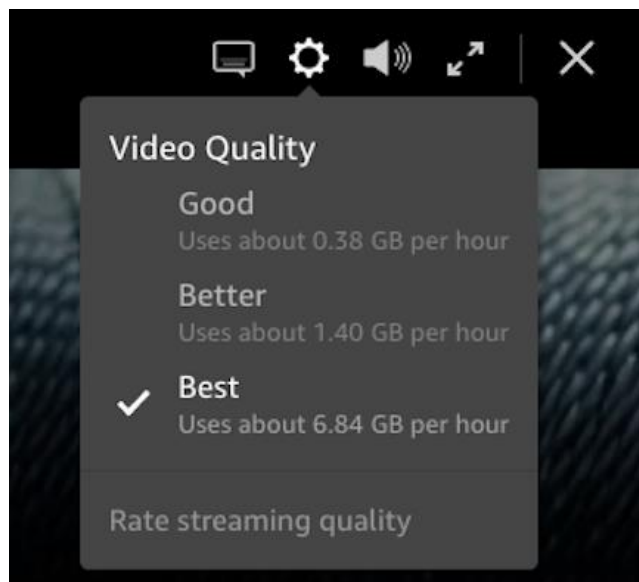
10. Plaintiff Realtime is the owner by assignment of United States Patent No. 8,934,535 (“the ‘535 patent”) entitled “Systems and methods for video and audio data storage and distribution.” The ‘535 patent was duly and legally issued by the United States Patent and Trademark Office on January 13, 2015. A true and correct copy of the ‘535 patent is included as Exhibit A.

11. On information and belief, Amazon has made, used, offered for sale, sold and/or imported into the United States Amazon products that infringe the ‘535 patent, and continues to do so. By way of illustrative example, these infringing products include, without limitation, Amazon’s streaming products/services, such as, e.g., Amazon Video, and all versions and variations thereof since the issuance of the ‘535 patent (“Accused Instrumentalities”).

12. On information and belief, Amazon has directly infringed and continues to infringe the ‘535 patent, for example, through its own use and testing of the Accused Instrumentalities, which when used, practices the method claimed by Claim 15 of the ‘535 patent, namely, a method, comprising: determining a parameter of at least a portion of a data block; selecting one or more asymmetric compressors from among a plurality of compressors based upon the determined parameter or attribute; compressing the at least the portion of the data block with the selected one or more asymmetric compressors to provide one or more compressed data blocks; and storing at least a portion of the one or more compressed data blocks. Upon information and belief, Amazon uses the Accused Instrumentalities to practice infringing methods for its own internal non-testing business purposes, while testing the Accused Instrumentalities, and while providing technical support and repair services for the Accused Instrumentalities to Amazon’s customers.

13. For example, the Accused Instrumentalities utilize H.264 video compression standard. *See, e.g.,* https://www.pcworld.com/article/259040/google_play_vs_amazon_vs_itunes_store_how_the_content_stores_stack_up.html (“Amazon makes its video content accessible in two

formats: H.264/AAC within a .mp4 container, and VC-1/WMV9 within a .wmv container.”). The Accused Instrumentalities utilize different techniques in streaming, including “Good,” “Better,” and “Best” in what Amazon calls Video Quality. Moreover, “[w]hen you start watching a video, the picture and audio quality automatically adjust to settings that will work best with your current playback device and Internet connection.” See <https://www.amazon.com/gp/help/customer/display.html?nodeId=201648150>.



14. The Accused Instrumentalities determine a parameter of at least a portion of a video data block. As shown below, examples of such parameters include bitrate (or max video bitrate) and resolution parameters. Different parameters correspond with different end applications. H.264 provides for multiple different ranges of such parameters, each included in the “profiles” and “levels” defined by the H.264 standard. See http://www.axis.com/files/whitepaper/wp_h264_31669_en_0803_lo.pdf at 5:

4. H.264 profiles and levels

The joint group involved in defining H.264 focused on creating a simple and clean solution, limiting options and features to a minimum. An important aspect of the standard, as with other video standards, is providing the capabilities in profiles (sets of algorithmic features) and levels (performance classes) that optimally support popular productions and common formats.

H.264 has seven profiles, each targeting a specific class of applications. Each profile defines what feature set the encoder may use and limits the decoder implementation complexity.

Network cameras and video encoders will most likely use a profile called the baseline profile, which is intended primarily for applications with limited computing resources. The baseline profile is the most suitable given the available performance in a real-time encoder that is embedded in a network video product. The profile also enables low latency, which is an important requirement of surveillance video and also particularly important in enabling real-time, pan/tilt/zoom (PTZ) control in PTZ network cameras.

H.264 has 11 levels or degree of capability to limit performance, bandwidth and memory requirements. Each level defines the bit rate and the encoding rate in macroblock per second for resolutions ranging from QCIF to HDTV and beyond. The higher the resolution, the higher the level required.

See https://en.wikipedia.org/wiki/H.264/MPEG-4_AVC:

Level	Levels with maximum property values							
	Max decoding speed		Max frame size		Max video bit rate for video coding layer (VCL) kbit/s			Examples for high resolution @ highest frame rate (max stored frames) Toggle additional details
	Luma samples/s	Macroblocks/s	Luma samples	Macroblocks	Baseline, Extended and Main Profiles	High Profile	High 10 Profile	
1	380,160	1,485	25,344	99	64	80	192	176x144@15.0 (4)
1b	380,160	1,485	25,344	99	128	160	384	176x144@15.0 (4)
1.1	768,000	3,000	101,376	396	192	240	576	352x288@7.5 (2)
1.2	1,536,000	6,000	101,376	396	384	480	1,152	352x288@15.2 (6)
1.3	3,041,280	11,880	101,376	396	768	960	2,304	352x288@30.0 (6)
2	3,041,280	11,880	101,376	396	2,000	2,500	6,000	352x288@30.0 (6)
2.1	5,068,800	19,800	202,752	792	4,000	5,000	12,000	352x576@25.0 (6)
2.2	5,184,000	20,250	414,720	1,620	4,000	5,000	12,000	720x576@12.5 (5)
3	10,368,000	40,500	414,720	1,620	10,000	12,500	30,000	720x576@25.0 (5)
3.1	27,648,000	108,000	921,600	3,600	14,000	17,500	42,000	1,280x720@30.0 (5)
3.2	55,296,000	216,000	1,310,720	5,120	20,000	25,000	60,000	1,280x1,024@42.2 (4)
4	62,914,560	245,760	2,097,152	8,192	20,000	25,000	60,000	2,048x1,024@30.0 (4)
4.1	62,914,560	245,760	2,097,152	8,192	50,000	62,500	150,000	2,048x1,024@30.0 (4)
4.2	133,693,440	522,240	2,228,224	8,704	50,000	62,500	150,000	2,048x1,080@60.0 (4)
5	150,994,944	589,824	5,652,480	22,080	135,000	168,750	405,000	3,672x1,536@26.7 (5)
5.1	251,658,240	983,040	9,437,184	36,864	240,000	300,000	720,000	4,096x2,304@26.7 (5)
5.2	530,841,600	2,073,600	9,437,184	36,864	240,000	300,000	720,000	4,096x2,304@56.3 (5)

15. A video data block is organized by the group of pictures (GOP) structure, which is a “collection of successive pictures within a coded video stream.” See https://en.wikipedia.org/wiki/Group_of_pictures. A GOP structure can contain intra coded pictures (I picture or I frame), predictive coded pictures (P picture or P frame), bipredictive coded pictures (B picture or B frame) and direct coded pictures (D picture or

D frames, or DC direct coded pictures which are used only in MPEG-1 video). *See* https://en.wikipedia.org/wiki/Video_compression_picture_types (for descriptions of I frames, P frames and B frames); <https://en.wikipedia.org/wiki/MPEG-1#D-frames> (for descriptions of D frames). Thus, at least a portion of a video data block would also make up a GOP structure and could also contain I frames, P frames, B frames and/or D frames. The GOP structure also reflects the size of a video data block, and the GOP structure can be controlled and used to fine-tune other parameters (e.g. bitrate, max video bitrate and resolution parameters) or even be considered as a parameter by itself.

16. Based on the bitrate and/or resolution parameter identified (e.g. bitrate, max video bitrate, resolution, GOP structure or frame type within a GOP structure), any H.264-compliant system such as the Accused Instrumentalities would determine which profile (e.g., “baseline,” “extended,” “main”, or “high”) corresponds with that parameter, then select between at least two asymmetric compressors. If baseline or extended is the corresponding profile, then the system will select a Context-Adaptive Variable Length Coding (“CAVLC”) entropy encoder. If main or high is the corresponding profile, then the system will select a Context-Adaptive Binary Arithmetic Coding (“CABAC”) entropy encoder. Both encoders are asymmetric compressors because it takes a longer period of time for them to compress data than to decompress data. *See* <https://sonnati.wordpress.com/2007/10/29/how-h-264-works-part-ii/>:

	Baseline	Extended	Main	High	High 10
I and P Slices	Yes	Yes	Yes	Yes	Yes
B Slices	No	Yes	Yes	Yes	Yes
SI and SP Slices	No	Yes	No	No	No
Multiple Reference Frames	Yes	Yes	Yes	Yes	Yes
In-Loop Deblocking Filter	Yes	Yes	Yes	Yes	Yes
CAVLC Entropy Coding	Yes	Yes	Yes	Yes	Yes
CABAC Entropy Coding	No	No	Yes	Yes	Yes
Flexible Macroblock Ordering (FMO)	Yes	Yes	No	No	No
Arbitrary Slice Ordering (ASO)	Yes	Yes	No	No	No
Redundant Slices (RS)	Yes	Yes	No	No	No
Data Partitioning	No	Yes	No	No	No
Interlaced Coding (PicAFF, MBAFF)	No	Yes	Yes	Yes	Yes
4:2:0 Chroma Format	Yes	Yes	Yes	Yes	Yes
Monochrome Video Format (4:0:0)	No	No	No	Yes	Yes
4:2:2 Chroma Format	No	No	No	No	No
4:4:4 Chroma Format	No	No	No	No	No
8 Bit Sample Depth	Yes	Yes	Yes	Yes	Yes
9 and 10 Bit Sample Depth	No	No	No	No	Yes
11 to 14 Bit Sample Depth	No	No	No	No	No
8x8 vs. 4x4 Transform Adaptivity	No	No	No	Yes	Yes
Quantization Scaling Matrices	No	No	No	Yes	Yes
Separate Cb and Cr QP control	No	No	No	Yes	Yes
Separate Color Plane Coding	No	No	No	No	No
Predictive Lossless Coding	No	No	No	No	No

See http://web.cs.ucla.edu/classes/fall03/cs218/paper/H.264_MPEG4_Tutorial.pdf at 7:

The following table summarizes the two major types of entropy coding: Variable Length Coding (VLC) and Context Adaptive Binary Arithmetic Coding (CABAC). CABAC offers superior coding efficiency over VLC by adapting to the changing probability distribution of symbols, by exploiting correlation between symbols, and by adaptively exploiting bit correlations using arithmetic coding. H.264 also supports Context Adaptive Variable Length Coding (CAVLC) which offers superior entropy coding over VLC without the full cost of CABAC.

H.264 Entropy Coding – Comparison of Approaches

Characteristics	Variable Length Coding (VLC)	Context Adaptive Binary Arithmetic Coding(CABAC)
• Where it is used	MPEG-2, MPEG-4 ASP	H.264/MPEG-4 AVC (high efficiency option)
• Probability distribution	Static - Probabilities never change	Adaptive - Adjusts probabilities based on actual data
• Leverages correlation between symbols	No - Conditional probabilities ignored	Yes - Exploits symbol correlations by using "contexts"
• Non-integer code words	No - Low coding efficiency for high probability symbols	Yes - Exploits "arithmetic coding" which generates non-integer code words for higher efficiency

Moreover, the H.264 Standard requires a bit-flag descriptor, which is set to determine the correct decoder for the corresponding encoder. As shown below, if the flag = 0, then CAVLC must have been selected as the encoder; if the flag = 1, then CABAC must have been selected as the encoder. See https://www.itu.int/rec/dologin_pub.asp?lang=e&id=T-REC-H.264-201304-S!!PDF-E&type=items (Rec. ITU-T H.264 (04/2013)) at 80:

entropy_coding_mode_flag selects the entropy decoding method to be applied for the syntax elements for which two descriptors appear in the syntax tables as follows:

- If **entropy_coding_mode_flag** is equal to 0, the method specified by the left descriptor in the syntax table is applied (Exp-Golomb coded, see clause 9.1 or CAVLC, see clause 9.2).
- Otherwise (**entropy_coding_mode_flag** is equal to 1), the method specified by the right descriptor in the syntax table is applied (CABAC, see clause 9.3).

17. The Accused Instrumentalities compress the at least the portion of the data block with the selected one or more asymmetric compressors to provide one or more compressed data blocks, which can be organized in a GOP structure (see above). After its selection, the asymmetric compressor (CAVLC or CABAC) will compress the video data to provide various compressed data blocks, which can also be organized in a GOP structure. See <https://sonnati.wordpress.com/2007/10/29/how-h-264-works-part-ii/>:

Entropy Coding

For entropy coding, H.264 may use an enhanced VLC, a more complex context-adaptive variable-length coding (CAVLC) or an ever more complex Context-adaptive binary-arithmetic coding (CABAC) which are complex techniques to losslessly compress syntax elements in the video stream knowing the probabilities of syntax elements in a given context. The use of CABAC can improve the compression of around 5-7%. CABAC may requires a 30-40% of total processing power to be accomplished.

See

<http://citeseerx.ist.psu.edu/viewdoc/download?doi=10.1.1.602.1581&rep=rep1&type=pdf>

at 13:

Typical compression ratios to maintain excellent quality are:

- 10:1 for general images using JPEG
- 30:1 for general video using H.263 and MPEG-2
- 60:1 for general video using H.264 and WMV9

See http://www.ijera.com/papers/Vol3_issue4/BM34399403.pdf at 2:

Most visual communication systems today use Baseline Profile. Baseline is the simplest H.264 profile and defines, for example, zigzag scanning of the picture and using 4:2:0 (YUV video formats) chrominance sampling. In Baseline Profile, the picture is split in blocks consisting of 4x4 pixels, and each block is processed separately. Another important element of the Baseline Profile is the use of Universal Variable Length Coding (UVLC) and Context Adaptive Variable Length Coding (CAVLC) entropy coding techniques.

The Extended and Main Profiles includes the functionality of the Baseline Profile and add improvements to the predictions algorithms. Since transmitting every single frame (think 30 frames per second for good quality video) is not feasible if you are trying to reduce the bit rate 1000-2000 times, temporal and motion prediction are heavily used in H.264, and allow transmitting only the difference between one frame and the previous frames. The result is spectacular efficiency gain, especially for scenes with little change and motion.

The High Profile is the most powerful profile in H.264, and it allows most efficient coding of video. For example, large coding gain achieved through the use of Context Adaptive Binary Arithmetic Coding (CABAC) encoding which is more efficient than the UVLC/CAVLC used in Baseline Profile.

The High Profile also uses adaptive transform that decides on the fly if 4x4 or 8x8-pixel blocks should be used. For example, 4x4 blocks are used for the parts of the picture that are dense with detail, while parts that have little detail are transformed using 8x8 blocks.

18. On information and belief, the Accused Instrumentalities store at least a portion of the one or more compressed data blocks in buffers, hard disk, or other forms of memory/storage.

19. On information and belief, Amazon also directly infringes and continues to infringe other claims of the '535 patent, for similar reasons as explained above with respect to Claim 15 of the '535 patent.

20. On information and belief, all of the Accused Instrumentalities perform the claimed methods in substantially the same way, e.g., in the manner specified in the H.264 standard.

21. On information and belief, use of the Accused Instrumentalities in their ordinary and customary fashion results in infringement of the methods claimed by the '535 patent.

22. On information and belief, Amazon has had knowledge of the '535 patent since at least the filing of this Complaint or shortly thereafter, and on information and belief, Amazon knew of the '535 patent and knew of its infringement, including by way of this lawsuit. By the time of trial, Amazon will have known and intended (since receiving such notice) that its continued actions would actively induce and contribute to the infringement of the claims of the '535 patent.

23. Upon information and belief, Amazon's affirmative acts of making, using, and selling the Accused Instrumentalities, and providing implementation services and technical support to users of the Accused Instrumentalities, including, e.g., through training, demonstrations, brochures, installation and user guides, have induced and continue to induce users of the Accused Instrumentalities to use them in their normal and customary way to infringe the '535 patent by practicing a method, comprising: determining a parameter of at least a portion of a data block; selecting one or more asymmetric compressors from among a plurality of compressors based upon the determined parameter or attribute; compressing the at least the portion of the data block

with the selected one or more asymmetric compressors to provide one or more compressed data blocks; and storing at least a portion of the one or more compressed data blocks. For example, Amazon adopted H.264 as its video codec in its Video products/services. For similar reasons, Amazon also induces its customers to use the Accused Instrumentalities to infringe other claims of the '535 patent. Amazon specifically intended and was aware that these normal and customary activities would infringe the '535 patent. Amazon performed the acts that constitute induced infringement, and would induce actual infringement, with the knowledge of the '535 patent and with the knowledge, or willful blindness to the probability, that the induced acts would constitute infringement. On information and belief, Amazon engaged in such inducement to promote the sales of the Accused Instrumentalities. Accordingly, Amazon has induced and continue to induce users of the Accused Instrumentalities to use the Accused Instrumentalities in their ordinary and customary way to infringe the '535 patent, knowing that such use constitutes infringement of the '535 patent. Accordingly, Amazon has been, and currently is, inducing infringement of the '535 patent, in violation of 35 U.S.C. § 271(b).

24. Amazon has also infringed, and continues to infringe, claims of the '535 patent by offering to commercially distribute, commercially distributing, making, and/or importing the Accused Instrumentalities, which are used in practicing the process, or using the systems, of the '535 patent, and constitute a material part of the invention. Amazon knows the components in the Accused Instrumentalities to be especially made or especially adapted for use in infringement of the '535 patent, not a staple article, and not a commodity of commerce suitable for substantial noninfringing use. Accordingly, Amazon has been, and currently is, contributorily infringing the '535 patent, in violation of 35 U.S.C. § 271(c).

25. By making, using, offering for sale, selling and/or importing into the United States the Accused Instrumentalities, and touting the benefits of using the

Accused Instrumentalities' compression features, Amazon has injured Realtime and is liable to Realtime for infringement of the '535 patent pursuant to 35 U.S.C. § 271.

26. As a result of Amazon's infringement of the '535 patent, Plaintiff Realtime is entitled to monetary damages in an amount adequate to compensate for Amazon's infringement, but in no event less than a reasonable royalty for the use made of the invention by Amazon, together with interest and costs as fixed by the Court.

COUNT II

INFRINGEMENT OF U.S. PATENT NO. 9,769,477

27. Plaintiff re-alleges and incorporates by reference the foregoing paragraphs, as if fully set forth herein.

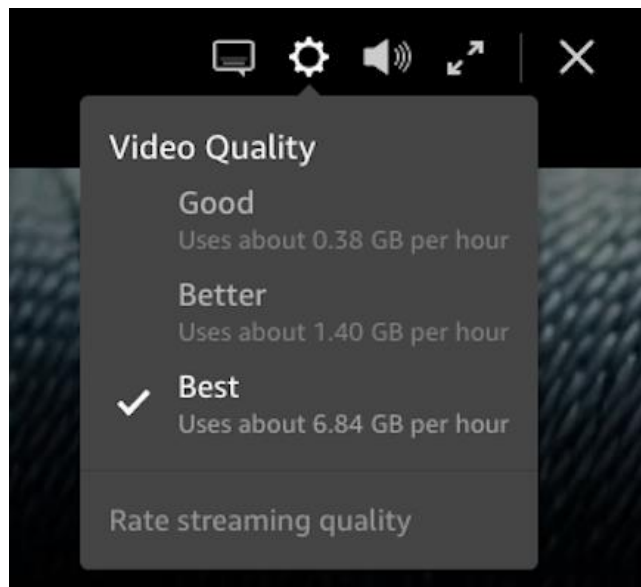
28. Plaintiff Realtime is the owner by assignment of United States Patent No. 9,769,477 ("the '477 patent") entitled "Video data compression systems." The '477 patent was duly and legally issued by the United States Patent and Trademark Office on September 19, 2017. A true and correct copy of the '477 patent is included as Exhibit B.

29. On information and belief, Amazon has made, used, offered for sale, sold and/or imported into the United States Amazon products that infringe the '477 patent, and continues to do so. By way of illustrative example, these infringing products include, without limitation, Amazon's streaming products/services, such as, e.g., Amazon Video, and all versions and variations thereof since the issuance of the '477 patent ("Accused Instrumentalities").

30. On information and belief, Amazon has directly infringed and continues to infringe the '477 patent, for example, through its sale, offer for sale, importation, use and testing of the Accused Instrumentalities that practice Claim 1 of the '477 patent, namely, a system, comprising: a plurality of different asymmetric data compression encoders, wherein each asymmetric data compression encoder of the plurality of different asymmetric data compression encoders is configured to utilize one or more data compression algorithms, and wherein a first asymmetric data compression encoder of the

plurality of different asymmetric data compression encoders is configured to compress data blocks containing video or image data at a higher data compression rate than a second asymmetric data compression encoder of the plurality of different asymmetric data compression encoders; and one or more processors configured to: determine one or more data parameters, at least one of the determined one or more data parameters relating to a throughput of a communications channel measured in bits per second; and select one or more asymmetric data compression encoders from among the plurality of different asymmetric data compression encoders based upon, at least in part, the determined one or more data parameters.

31. For example, the Accused Instrumentalities utilize H.264 video compression standard. *See, e.g.,* https://www.pcworld.com/article/259040/google_play_vs_amazon_vs_itunes_store_how_the_content_stores_stack_up.html (“Amazon makes its video content accessible in two formats: H.264/AAC within a .mp4 container, and VC-1/WMV9 within a .wmv container.”). The Accused Instrumentalities utilize different techniques in streaming, including “Good,” “Better,” and “Best” in what Amazon calls Video Quality. Moreover, “[w]hen you start watching a video, the picture and audio quality automatically adjust to settings that will work best with your current playback device and Internet connection.” *See* <https://www.amazon.com/gp/help/customer/display.html?nodeId=201648150>.



32. The Accused Instrumentalities include a plurality of different asymmetric data compression encoders, wherein each asymmetric data compression encoder of the plurality of different asymmetric data compression encoders is configured to utilize one or more data compression algorithms, and wherein a first asymmetric data compression encoder of the plurality of different asymmetric data compression encoders is configured to compress data blocks containing video or image data at a higher data compression rate than a second asymmetric data compression encoder of the plurality of different asymmetric data compression encoders. H.264 provides for multiple different ranges of parameters (e.g., bitrate, max video bitrate, resolution parameters, etc.), each included in the “profiles” and “levels” defined by the H.264 standard. See http://www.axis.com/files/whitepaper/wp_h264_31669_en_0803_lo.pdf at 5:

4. H.264 profiles and levels

The joint group involved in defining H.264 focused on creating a simple and clean solution, limiting options and features to a minimum. An important aspect of the standard, as with other video standards, is providing the capabilities in profiles (sets of algorithmic features) and levels (performance classes) that optimally support popular productions and common formats.

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H.264 has 11 levels or degree of capability to limit performance, bandwidth and memory requirements. Each level defines the bit rate and the encoding rate in macroblock per second for resolutions ranging from QCIF to HDTV and beyond. The higher the resolution, the higher the level required.

See https://en.wikipedia.org/wiki/H.264/MPEG-4_AVC:

Level	Max decoding speed		Max frame size		Max video bit rate for video coding layer (VCL) kbit/s			Examples for high resolution @ highest frame rate (max stored frames) Toggle additional details
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2	3,041,280	11,880	101,376	396	2,000	2,500	6,000	352x288@30.0 (6)
2.1	5,068,800	19,800	202,752	792	4,000	5,000	12,000	352x576@25.0 (6)
2.2	5,184,000	20,250	414,720	1,620	4,000	5,000	12,000	720x576@12.5 (5)
3	10,368,000	40,500	414,720	1,620	10,000	12,500	30,000	720x576@25.0 (5)
3.1	27,648,000	108,000	921,600	3,600	14,000	17,500	42,000	1,280x720@30.0 (5)
3.2	55,296,000	216,000	1,310,720	5,120	20,000	25,000	60,000	1,280x1,024@42.2 (4)
4	62,914,560	245,760	2,097,152	8,192	20,000	25,000	60,000	2,048x1,024@30.0 (4)
4.1	62,914,560	245,760	2,097,152	8,192	50,000	62,500	150,000	2,048x1,024@30.0 (4)
4.2	133,693,440	522,240	2,228,224	8,704	50,000	62,500	150,000	2,048x1,080@60.0 (4)
5	150,994,944	589,824	5,652,480	22,080	135,000	168,750	405,000	3,672x1,536@26.7 (5)
5.1	251,658,240	983,040	9,437,184	36,864	240,000	300,000	720,000	4,096x2,304@26.7 (5)
5.2	530,841,600	2,073,600	9,437,184	36,864	240,000	300,000	720,000	4,096x2,304@56.3 (5)

33. A video data block is organized by the group of pictures (GOP) structure, which is a “collection of successive pictures within a coded video stream.” See https://en.wikipedia.org/wiki/Group_of_pictures. A GOP structure can contain intra coded pictures (I picture or I frame), predictive coded pictures (P picture or P frame), bipredictive coded pictures (B picture or B frame) and direct coded pictures (D picture or

D frames, or DC direct coded pictures which are used only in MPEG-1 video). *See* https://en.wikipedia.org/wiki/Video_compression_picture_types (for descriptions of I frames, P frames and B frames); <https://en.wikipedia.org/wiki/MPEG-1#D-frames> (for descriptions of D frames). Thus, at least a portion of a video data block would also make up a GOP structure and could also contain I frames, P frames, B frames and/or D frames. The GOP structure also reflects the size of a video data block, and the GOP structure can be controlled and used to fine-tune other parameters (e.g. bitrate, max video bitrate and resolution parameters) or even be considered as a parameter by itself.

34. The Accused Instrumentalities include one or more processors configured to: determine one or more data parameters, at least one of the determined one or more data parameters relating to a throughput of a communications channel measured in bits per second; and select one or more asymmetric data compression encoders from among the plurality of different asymmetric data compression encoders based upon, at least in part, the determined one or more data parameters. For example, based on the bitrate and/or resolution parameter identified, any H.264-compliant system such as the Accused Instrumentalities would determine which profile (e.g., “baseline,” “extended,” “main,” or “high”) corresponds with that parameter, then select between at least two asymmetric compressors. If baseline or extended is the corresponding profile, then the system will select a Context-Adaptive Variable Length Coding (“CAVLC”) entropy encoder. If main or high is the corresponding profile, then the system will select a Context-Adaptive Binary Arithmetic Coding (“CABAC”) entropy encoder. Both encoders are asymmetric compressors because it takes a longer period of time for them to compress data than to decompress data. *See* <https://sonnati.wordpress.com/2007/10/29/how-h-264-works-part-ii/>:

	Baseline	Extended	Main	High	High 10
I and P Slices	Yes	Yes	Yes	Yes	Yes
B Slices	No	Yes	Yes	Yes	Yes
SI and SP Slices	No	Yes	No	No	No
Multiple Reference Frames	Yes	Yes	Yes	Yes	Yes
In-Loop Deblocking Filter	Yes	Yes	Yes	Yes	Yes
CAVLC Entropy Coding	Yes	Yes	Yes	Yes	Yes
CABAC Entropy Coding	No	No	Yes	Yes	Yes
Flexible Macroblock Ordering (FMO)	Yes	Yes	No	No	No
Arbitrary Slice Ordering (ASO)	Yes	Yes	No	No	No
Redundant Slices (RS)	Yes	Yes	No	No	No
Data Partitioning	No	Yes	No	No	No
Interlaced Coding (PicAFF, MBAFF)	No	Yes	Yes	Yes	Yes
4:2:0 Chroma Format	Yes	Yes	Yes	Yes	Yes
Monochrome Video Format (4:0:0)	No	No	No	Yes	Yes
4:2:2 Chroma Format	No	No	No	No	No
4:4:4 Chroma Format	No	No	No	No	No
8 Bit Sample Depth	Yes	Yes	Yes	Yes	Yes
9 and 10 Bit Sample Depth	No	No	No	No	Yes
11 to 14 Bit Sample Depth	No	No	No	No	No
8x8 vs. 4x4 Transform Adaptivity	No	No	No	Yes	Yes
Quantization Scaling Matrices	No	No	No	Yes	Yes
Separate Cb and Cr QP control	No	No	No	Yes	Yes
Separate Color Plane Coding	No	No	No	No	No
Predictive Lossless Coding	No	No	No	No	No

See http://web.cs.ucla.edu/classes/fall03/cs218/paper/H.264_MPEG4_Tutorial.pdf at 7:

The following table summarizes the two major types of entropy coding: Variable Length Coding (VLC) and Context Adaptive Binary Arithmetic Coding (CABAC). CABAC offers superior coding efficiency over VLC by adapting to the changing probability distribution of symbols, by exploiting correlation between symbols, and by adaptively exploiting bit correlations using arithmetic coding. H.264 also supports Context Adaptive Variable Length Coding (CAVLC) which offers superior entropy coding over VLC without the full cost of CABAC.

H.264 Entropy Coding – Comparison of Approaches

Characteristics	Variable Length Coding (VLC)	Context Adaptive Binary Arithmetic Coding(CABAC)
• Where it is used	MPEG-2, MPEG-4 ASP	H.264/MPEG-4 AVC (high efficiency option)
• Probability distribution	Static - Probabilities never change	Adaptive - Adjusts probabilities based on actual data
• Leverages correlation between symbols	No - Conditional probabilities ignored	Yes - Exploits symbol correlations by using "contexts"
• Non-integer code words	No - Low coding efficiency for high probability symbols	Yes - Exploits "arithmetic coding" which generates non-integer code words for higher efficiency

Moreover, the H.264 Standard requires a bit-flag descriptor, which is set to determine the correct decoder for the corresponding encoder. As shown below, if the flag = 0, then CAVLC must have been selected as the encoder; if the flag = 1, then CABAC must have been selected as the encoder. See https://www.itu.int/rec/dologin_pub.asp?lang=e&id=T-REC-H.264-201304-S!!PDF-E&type=items (Rec. ITU-T H.264 (04/2013)) at 80:

entropy_coding_mode_flag selects the entropy decoding method to be applied for the syntax elements for which two descriptors appear in the syntax tables as follows:

- If **entropy_coding_mode_flag** is equal to 0, the method specified by the left descriptor in the syntax table is applied (Exp-Golomb coded, see clause 9.1 or CAVLC, see clause 9.2).
- Otherwise (**entropy_coding_mode_flag** is equal to 1), the method specified by the right descriptor in the syntax table is applied (CABAC, see clause 9.3).

35. After its selection, the asymmetric compressor (CAVLC or CABAC) will compress the video data to provide various compressed data blocks, which can be organized in a GOP structure (see above). See <https://sonnati.wordpress.com/2007/10/29/how-h-264-works-part-ii/>:

Entropy Coding

For entropy coding, H.264 may use an enhanced VLC, a more complex context-adaptive variable-length coding (CAVLC) or an even more complex Context-adaptive binary-arithmetic coding (CABAC) which are complex techniques to losslessly compress syntax elements in the video stream knowing the probabilities of syntax elements in a given context. The use of CABAC can improve the compression of around 5-7%. CABAC may requires a 30-40% of total processing power to be accomplished.

See

<http://citeseerx.ist.psu.edu/viewdoc/download?doi=10.1.1.602.1581&rep=rep1&type=pdf>

at 13:

Typical compression ratios to maintain excellent quality are:

- 10:1 for general images using JPEG
- 30:1 for general video using H.263 and MPEG-2
- 60:1 for general video using H.264 and WMV9

See http://www.ijera.com/papers/Vol3_issue4/BM34399403.pdf at 2:

Most visual communication systems today use Baseline Profile. Baseline is the simplest H.264 profile and defines, for example, zigzag scanning of the picture and using 4:2:0 (YUV video formats) chrominance sampling. In Baseline Profile, the picture is split in blocks consisting of 4x4 pixels, and each block is processed separately. Another important element of the Baseline Profile is the use of Universal Variable Length Coding (UVLC) and Context Adaptive Variable Length Coding (CAVLC) entropy coding techniques.

The Extended and Main Profiles includes the functionality of the Baseline Profile and add improvements to the predictions algorithms. Since transmitting every single frame (think 30 frames per second for good quality video) is not feasible if you are trying to reduce the bit rate 1000-2000 times, temporal and motion prediction are heavily used in H.264, and allow transmitting only the difference between one frame and the previous frames. The result is spectacular efficiency gain, especially for scenes with little change and motion.

The High Profile is the most powerful profile in H.264, and it allows most efficient coding of video. For example, large coding gain achieved through the use of Context Adaptive Binary Arithmetic Coding (CABAC) encoding which is more efficient than the UVLC/CAVLC used in Baseline Profile.

The High Profile also uses adaptive transform that decides on the fly if 4x4 or 8x8-pixel blocks should be used. For example, 4x4 blocks are used for the parts of the picture that are dense with detail, while parts that have little detail are transformed using 8x8 blocks.

36. On information and belief, Amazon also directly infringes and continues to infringe other claims of the '477 patent, for similar reasons as explained above with respect to Claim 1 of the '477 patent.

37. On information and belief, all of the Accused Instrumentalities perform the claimed methods in substantially the same way, e.g., in the manner specified in the H.264 standard.

38. On information and belief, use of the Accused Instrumentalities in their ordinary and customary fashion results in infringement of the methods claimed by the '477 patent.

39. On information and belief, Amazon has had knowledge of the '477 patent

since at least the filing of this Complaint or shortly thereafter, and on information and belief, Amazon knew of the '477 patent and knew of its infringement, including by way of this lawsuit. By the time of trial, Amazon will have known and intended (since receiving such notice) that its continued actions would actively induce and contribute to the infringement of the claims of the '477 patent.

40. Upon information and belief, Amazon's affirmative acts of making, using, and selling the Accused Instrumentalities, and providing implementation services and technical support to users of the Accused Instrumentalities, including, e.g., through training, demonstrations, brochures, installation and user guides, have induced and continue to induce users of the Accused Instrumentalities to use them in their normal and customary way to infringe the '477 patent by using a system comprising: a plurality of different asymmetric data compression encoders, wherein each asymmetric data compression encoder of the plurality of different asymmetric data compression encoders is configured to utilize one or more data compression algorithms, and wherein a first asymmetric data compression encoder of the plurality of different asymmetric data compression encoders is configured to compress data blocks containing video or image data at a higher data compression rate than a second asymmetric data compression encoder of the plurality of different asymmetric data compression encoders; and one or more processors configured to: determine one or more data parameters, at least one of the determined one or more data parameters relating to a throughput of a communications channel measured in bits per second; and select one or more asymmetric data compression encoders from among the plurality of different asymmetric data compression encoders based upon, at least in part, the determined one or more data parameters. For example, Amazon adopted H.264 as its video codec in its Video products/services. For similar reasons, Amazon also induces its customers to use the Accused Instrumentalities to infringe other claims of the '477 patent. Amazon specifically intended and was aware that these normal and customary activities would

infringe the ‘477 patent. Amazon performed the acts that constitute induced infringement, and would induce actual infringement, with the knowledge of the ‘477 patent and with the knowledge, or willful blindness to the probability, that the induced acts would constitute infringement. On information and belief, Amazon engaged in such inducement to promote the sales of the Accused Instrumentalities. Accordingly, Amazon has induced and continue to induce users of the Accused Instrumentalities to use the Accused Instrumentalities in their ordinary and customary way to infringe the ‘477 patent, knowing that such use constitutes infringement of the ‘477 patent. Accordingly, Amazon has been, and currently is, inducing infringement of the ‘477 patent, in violation of 35 U.S.C. § 271(b).

41. Amazon has also infringed, and continues to infringe, claims of the ‘477 patent by offering to commercially distribute, commercially distributing, making, and/or importing the Accused Instrumentalities, which are used in practicing the process, or using the systems, of the ‘477 patent, and constitute a material part of the invention. Amazon knows the components in the Accused Instrumentalities to be especially made or especially adapted for use in infringement of the ‘477 patent, not a staple article, and not a commodity of commerce suitable for substantial noninfringing use. Accordingly, Amazon has been, and currently is, contributorily infringing the ‘477 patent, in violation of 35 U.S.C. § 271(c).

42. By making, using, offering for sale, selling and/or importing into the United States the Accused Instrumentalities, and touting the benefits of using the Accused Instrumentalities’ compression features, Amazon has injured Realtime and is liable to Realtime for infringement of the ‘477 patent pursuant to 35 U.S.C. § 271.

43. As a result of Amazon’s infringement of the ‘477 patent, Plaintiff Realtime is entitled to monetary damages in an amount adequate to compensate for Amazon’s infringement, but in no event less than a reasonable royalty for the use made of the invention by Amazon, together with interest and costs as fixed by the Court.

COUNT III

INFRINGEMENT OF U.S. PATENT NO. 8,929,442

44. Plaintiff re-alleges and incorporates by reference the foregoing paragraphs, as if fully set forth herein.

45. Plaintiff Realtime is the owner by assignment of United States Patent No. 8,929,442 (“the ‘442 patent”) entitled “System and method for video and audio data distribution.” The ‘046 patent was duly and legally issued by the United States Patent and Trademark Office on January 6, 2015. A true and correct copy of the ‘442 patent is included as Exhibit C.

46. On information and belief, Amazon has made, used, offered for sale, sold and/or imported into the United States Amazon products that infringe the ‘442 patent, and continues to do so. By way of illustrative example, these infringing products include, without limitation, Amazon’s tablet computers and television peripherals (e.g., Fire, Fire HD 8, Fire HDX 8.9, Fire HD 7 Fire, Fire HD 10, Kindle Fire HDX, Kindle Fire HD 8.9, Kindle Fire, Kindle Fire HDX 8.9, Kindle Fire HD, Fire TV, Fire TV Stick, etc.), and all versions and variations thereof since the issuance of the ‘442 patent (“Accused Instrumentalities”)

47. On information and belief, Amazon has directly infringed and continues to infringe the ‘442 patent, for example, through its sale, offer for sale, importation, use and testing of the Accused Instrumentalities, which practices the system claimed by Claim 8 of the ‘442 patent, namely, an apparatus, comprising: a data decompression system configured to decompress a compressed data block; and a storage medium configured to store at least a portion of the decompressed data block, wherein at least a portion of a data block having video or audio data was compressed with one or more compression algorithms selected from among a plurality of compression algorithms based upon a throughput of a communication channel and a parameter or an attribute of the at least the portion of the data block to create at least the compressed data block, and wherein at least

one of the plurality of compression algorithms is asymmetric.

48. The Accused Instrumentalities include a data decompression system configured to decompress a compressed data block. For example, the Accused Instrumentalities utilize H.264 video compression standard. *See, e.g.,* <https://developer.amazon.com/public/solutions/devices/fire-tablets/specifications/tablet-media-specs-custom>; <https://www.winxdvd.com/resource/amazon-kindle-fire-supported-movie-video-formats.htm>; <https://www.mediadimo.com/convert-video-to-kindle-fire.html>.

49. The Accused Instrumentalities include a storage medium configured to store at least a portion of the decompressed data block. For example, the Accused Instrumentalities include volatile and non-volatile memory (e.g., RAM, flash, etc.) configured to store at least a portion of the decompressed data block.

50. In the Accused Instrumentalities, at least a portion of a data block having video or audio data was compressed with one or more compression algorithms selected from among a plurality of compression algorithms based upon a throughput of a communication channel and a parameter or an attribute of the at least the portion of the data block to create at least the compressed data block, and wherein at least one of the plurality of compression algorithms is asymmetric. For example, “[w]hen you start watching a video, the picture and audio quality automatically adjust to settings that will work best with your current playback device and Internet connection.” *See* <https://www.amazon.com/gp/help/customer/display.html?nodeId=201648150>.

51. As another example, the Accused Instrumentalities utilize H.264, which include, e.g., Context-Adaptive Variable Length Coding (“CAVLC”) entropy encoder and Context-Adaptive Binary Arithmetic Coding (“CABAC”) entropy encoder. H.264 provides for multiple different ranges of parameters (e.g., bitrate, resolution parameters, etc.), each included in the “profiles” and “levels” defined by the H.264 standard. *See* http://www.axis.com/files/whitepaper/wp_h264_31669_en_0803_lo.pdf at 5:

4. H.264 profiles and levels

The joint group involved in defining H.264 focused on creating a simple and clean solution, limiting options and features to a minimum. An important aspect of the standard, as with other video standards, is providing the capabilities in profiles (sets of algorithmic features) and levels (performance classes) that optimally support popular productions and common formats.

H.264 has seven profiles, each targeting a specific class of applications. Each profile defines what feature set the encoder may use and limits the decoder implementation complexity.

Network cameras and video encoders will most likely use a profile called the baseline profile, which is intended primarily for applications with limited computing resources. The baseline profile is the most suitable given the available performance in a real-time encoder that is embedded in a network video product. The profile also enables low latency, which is an important requirement of surveillance video and also particularly important in enabling real-time, pan/tilt/zoom (PTZ) control in PTZ network cameras.

H.264 has 11 levels or degree of capability to limit performance, bandwidth and memory requirements. Each level defines the bit rate and the encoding rate in macroblock per second for resolutions ranging from QCIF to HDTV and beyond. The higher the resolution, the higher the level required.

See https://en.wikipedia.org/wiki/H.264/MPEG-4_AVC:

Level	Max decoding speed		Max frame size		Max video bit rate for video coding layer (VCL) kbit/s			Examples for high resolution @ highest frame rate (max stored frames) Toggle additional details
	Luma samples/s	Macroblocks/s	Luma samples	Macroblocks	Baseline, Extended and Main Profiles	High Profile	High 10 Profile	
1	380,160	1,485	25,344	99	64	80	192	176x144@15.0 (4)
1b	380,160	1,485	25,344	99	128	160	384	176x144@15.0 (4)
1.1	768,000	3,000	101,376	396	192	240	576	352x288@7.5 (2)
1.2	1,536,000	6,000	101,376	396	384	480	1,152	352x288@15.2 (6)
1.3	3,041,280	11,880	101,376	396	768	960	2,304	352x288@30.0 (6)
2	3,041,280	11,880	101,376	396	2,000	2,500	6,000	352x288@30.0 (6)
2.1	5,068,800	19,800	202,752	792	4,000	5,000	12,000	352x576@25.0 (6)
2.2	5,184,000	20,250	414,720	1,620	4,000	5,000	12,000	720x576@12.5 (5)
3	10,368,000	40,500	414,720	1,620	10,000	12,500	30,000	720x576@25.0 (5)
3.1	27,648,000	108,000	921,600	3,600	14,000	17,500	42,000	1,280x720@30.0 (5)
3.2	55,296,000	216,000	1,310,720	5,120	20,000	25,000	60,000	1,280x1,024@42.2 (4)
4	62,914,560	245,760	2,097,152	8,192	20,000	25,000	60,000	2,048x1,024@30.0 (4)
4.1	62,914,560	245,760	2,097,152	8,192	50,000	62,500	150,000	2,048x1,024@30.0 (4)
4.2	133,693,440	522,240	2,228,224	8,704	50,000	62,500	150,000	2,048x1,080@60.0 (4)
5	150,994,944	589,824	5,652,480	22,080	135,000	168,750	405,000	3,672x1,536@26.7 (5)
5.1	251,658,240	983,040	9,437,184	36,864	240,000	300,000	720,000	4,096x2,304@26.7 (5)
5.2	530,841,600	2,073,600	9,437,184	36,864	240,000	300,000	720,000	4,096x2,304@56.3 (5)

52. A video data block is organized by the group of pictures (GOP) structure, which is a “collection of successive pictures within a coded video stream.” See https://en.wikipedia.org/wiki/Group_of_pictures. A GOP structure can contain intra coded pictures (I picture or I frame), predictive coded pictures (P picture or P frame), bipredictive coded pictures (B picture or B frame) and direct coded pictures (D picture or

D frames, or DC direct coded pictures which are used only in MPEG-1 video). *See* https://en.wikipedia.org/wiki/Video_compression_picture_types (for descriptions of I frames, P frames and B frames); <https://en.wikipedia.org/wiki/MPEG-1#D-frames> (for descriptions of D frames). Thus, at least a portion of a video data block would also make up a GOP structure and could also contain I frames, P frames, B frames and/or D frames. The GOP structure also reflects the size of a video data block, and the GOP structure can be controlled and used to fine-tune other parameters (e.g. bitrate, max video bitrate and resolution parameters) or even be considered as a parameter by itself.

53. Based on the bitrate and/or resolution parameter identified (e.g. bitrate, max video bitrate, resolution, GOP structure or frame type within a GOP structure), any H.264-compliant system such as the Accused Instrumentalities would determine which profile (e.g., “baseline,” “extended,” “main”, or “high”) corresponds with that parameter, then select between at least two asymmetric compressors. If baseline or extended is the corresponding profile, then the system will select a Context-Adaptive Variable Length Coding (“CAVLC”) entropy encoder. If main or high is the corresponding profile, then the system will select a Context-Adaptive Binary Arithmetic Coding (“CABAC”) entropy encoder. *See* <https://sonnati.wordpress.com/2007/10/29/how-h-264-works-part-ii/>:

	Baseline	Extended	Main	High	High 10
I and P Slices	Yes	Yes	Yes	Yes	Yes
B Slices	No	Yes	Yes	Yes	Yes
SI and SP Slices	No	Yes	No	No	No
Multiple Reference Frames	Yes	Yes	Yes	Yes	Yes
In-Loop Deblocking Filter	Yes	Yes	Yes	Yes	Yes
CAVLC Entropy Coding	Yes	Yes	Yes	Yes	Yes
CABAC Entropy Coding	No	No	Yes	Yes	Yes
Flexible Macroblock Ordering (FMO)	Yes	Yes	No	No	No
Arbitrary Slice Ordering (ASO)	Yes	Yes	No	No	No
Redundant Slices (RS)	Yes	Yes	No	No	No
Data Partitioning	No	Yes	No	No	No
Interlaced Coding (PicAFF, MBAFF)	No	Yes	Yes	Yes	Yes
4:2:0 Chroma Format	Yes	Yes	Yes	Yes	Yes
Monochrome Video Format (4:0:0)	No	No	No	Yes	Yes
4:2:2 Chroma Format	No	No	No	No	No
4:4:4 Chroma Format	No	No	No	No	No
8 Bit Sample Depth	Yes	Yes	Yes	Yes	Yes
9 and 10 Bit Sample Depth	No	No	No	No	Yes
11 to 14 Bit Sample Depth	No	No	No	No	No
8x8 vs. 4x4 Transform Adaptivity	No	No	No	Yes	Yes
Quantization Scaling Matrices	No	No	No	Yes	Yes
Separate Cb and Cr QP control	No	No	No	Yes	Yes
Separate Color Plane Coding	No	No	No	No	No
Predictive Lossless Coding	No	No	No	No	No

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The following table summarizes the two major types of entropy coding: Variable Length Coding (VLC) and Context Adaptive Binary Arithmetic Coding (CABAC). CABAC offers superior coding efficiency over VLC by adapting to the changing probability distribution of symbols, by exploiting correlation between symbols, and by adaptively exploiting bit correlations using arithmetic coding. H.264 also supports Context Adaptive Variable Length Coding (CAVLC) which offers superior entropy coding over VLC without the full cost of CABAC.

H.264 Entropy Coding – Comparison of Approaches

Characteristics	Variable Length Coding (VLC)	Context Adaptive Binary Arithmetic Coding(CABAC)
• Where it is used	MPEG-2, MPEG-4 ASP	H.264/MPEG-4 AVC (high efficiency option)
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• Leverages correlation between symbols	No - Conditional probabilities ignored	Yes - Exploits symbol correlations by using "contexts"
• Non-integer code words	No - Low coding efficiency for high probability symbols	Yes - Exploits "arithmetic coding" which generates non-integer code words for higher efficiency

Moreover, the H.264 Standard requires a bit-flag descriptor, which is set to determine the correct decoder for the corresponding encoder. As shown below, if the flag = 0, then CAVLC must have been selected as the encoder; if the flag = 1, then CABAC must have been selected as the encoder. See https://www.itu.int/rec/dologin_pub.asp?lang=e&id=T-REC-H.264-201304-S!!PDF-E&type=items (Rec. ITU-T H.264 (04/2013)) at 80:

entropy_coding_mode_flag selects the entropy decoding method to be applied for the syntax elements for which two descriptors appear in the syntax tables as follows:

- If **entropy_coding_mode_flag** is equal to 0, the method specified by the left descriptor in the syntax table is applied (Exp-Golomb coded, see clause 9.1 or CAVLC, see clause 9.2).
- Otherwise (**entropy_coding_mode_flag** is equal to 1), the method specified by the right descriptor in the syntax table is applied (CABAC, see clause 9.3).

54. After its selection, the asymmetric compressor (CAVLC or CABAC) will compress the video data to provide various compressed data blocks, which can be organized in a GOP structure (see above). See <https://sonnati.wordpress.com/2007/10/29/how-h-264-works-part-ii/>:

Entropy Coding

For entropy coding, H.264 may use an enhanced VLC, a more complex context-adaptive variable-length coding (CAVLC) or an ever more complex Context-adaptive binary-arithmetic coding (CABAC) which are complex techniques to losslessly compress syntax elements in the video stream knowing the probabilities of syntax elements in a given context. The use of CABAC can improve the compression of around 5-7%. CABAC may requires a 30-40% of total processing power to be accomplished.

See

<http://citeseerx.ist.psu.edu/viewdoc/download?doi=10.1.1.602.1581&rep=rep1&type=pdf>

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- 10:1 for general images using JPEG
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See http://www.ijera.com/papers/Vol3_issue4/BM34399403.pdf at 2:

Most visual communication systems today use Baseline Profile. Baseline is the simplest H.264 profile and defines, for example, zigzag scanning of the picture and using 4:2:0 (YUV video formats) chrominance sampling. In Baseline Profile, the picture is split in blocks consisting of 4x4 pixels, and each block is processed separately. Another important element of the Baseline Profile is the use of Universal Variable Length Coding (UVLC) and Context Adaptive Variable Length Coding (CAVLC) entropy coding techniques.

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The High Profile is the most powerful profile in H.264, and it allows most efficient coding of video. For example, large coding gain achieved through the use of Context Adaptive Binary Arithmetic Coding (CABAC) encoding which is more efficient than the UVLC/CAVLC used in Baseline Profile.

The High Profile also uses adaptive transform that decides on the fly if 4x4 or 8x8-pixel blocks should be used. For example, 4x4 blocks are used for the parts of the picture that are dense with detail, while parts that have little detail are transformed using 8x8 blocks.

55. On information and belief, Amazon also directly infringes and continues to infringe other claims of the '442 patent, for similar reasons as explained above with respect to Claim 8 of the '442 patent.

56. On information and belief, all of the Accused Instrumentalities perform the claimed methods in substantially the same way, e.g., in the manner specified in the H.264 standard.

57. On information and belief, use of the Accused Instrumentalities in their ordinary and customary fashion results in infringement of the methods claimed by the '442 patent.

58. On information and belief, Amazon has had knowledge of the '442 patent since at least the filing of this Complaint or shortly thereafter, and on information and belief, Amazon knew of the '442 patent and knew of its infringement, including by way of this lawsuit. By the time of trial, Amazon will have known and intended (since receiving such notice) that its continued actions would actively induce and contribute to the infringement of the claims of the '442 patent.

59. Upon information and belief, Amazon's affirmative acts of making, using, and selling the Accused Instrumentalities, and providing implementation services and technical support to users of the Accused Instrumentalities, including, e.g., through training, demonstrations, brochures, installation and user guides, have induced and continue to induce users of the Accused Instrumentalities to use them in their normal and customary way to infringe the '442 patent. For example, Amazon adopted H.264 as its video codec in the Accused Instrumentalities. For similar reasons, Amazon also induces its customers to use the Accused Instrumentalities to infringe other claims of the '442 patent. Amazon specifically intended and was aware that these normal and customary activities would infringe the '442 patent. Amazon performed the acts that constitute induced infringement, and would induce actual infringement, with the knowledge of the '442 patent and with the knowledge, or willful blindness to the probability, that the

induced acts would constitute infringement. On information and belief, Amazon engaged in such inducement to promote the sales of the Accused Instrumentalities. Accordingly, Amazon has induced and continue to induce users of the Accused Instrumentalities to use the Accused Instrumentalities in their ordinary and customary way to infringe the ‘442 patent, knowing that such use constitutes infringement of the ‘442 patent. Accordingly, Amazon has been, and currently is, inducing infringement of the ‘442 patent, in violation of 35 U.S.C. § 271(b).

60. Amazon has also infringed, and continues to infringe, claims of the ‘442 patent by offering to commercially distribute, commercially distributing, making, and/or importing the Accused Instrumentalities, which are used in practicing the process, or using the systems, of the ‘442 patent, and constitute a material part of the invention. Amazon knows the components in the Accused Instrumentalities to be especially made or especially adapted for use in infringement of the ‘442 patent, not a staple article, and not a commodity of commerce suitable for substantial noninfringing use. Accordingly, Amazon has been, and currently is, contributorily infringing the ‘442 patent, in violation of 35 U.S.C. § 271(c).

61. By making, using, offering for sale, selling and/or importing into the United States the Accused Instrumentalities, and touting the benefits of using the Accused Instrumentalities’ compression features, Amazon has injured Realtime and is liable to Realtime for infringement of the ‘442 patent pursuant to 35 U.S.C. § 271.

62. As a result of Amazon’s infringement of the ‘442 patent, Plaintiff Realtime is entitled to monetary damages in an amount adequate to compensate for Amazon’s infringement, but in no event less than a reasonable royalty for the use made of the invention by Amazon, together with interest and costs as fixed by the Court.

COUNT IV

INFRINGEMENT OF U.S. PATENT NO. 8,634,462

63. Plaintiff re-alleges and incorporates by reference the foregoing paragraphs, as if fully set forth herein.

64. Plaintiff Realtime is the owner by assignment of United States Patent No. 8,634,462 (“the ‘462 patent”) entitled “Quantization for Hybrid Video Coding.” The ‘462 patent was duly and legally issued by the United States Patent and Trademark Office on January 21, 2014. A true and correct copy of the ‘462 patent is included as Exhibit D.

65. On information and belief, Amazon has made, used, offered for sale, sold and/or imported into the United States Amazon products that infringe the ‘462 patent, and continues to do so. By way of illustrative example, these infringing products include, without limitation, Amazon’s tablet computers and television peripherals (e.g., Fire, Fire HD 8, Fire HDX 8.9, Fire HD 7 Fire, Fire HD 10, Kindle Fire HDX, Kindle Fire HD 8.9, Kindle Fire, Kindle Fire HDX 8.9, Kindle Fire HD, Fire TV (all generations), Fire TV Stick (all generations), etc.), Amazon Instant Video (including the version with 4K Ultra HD streaming), and all versions and variations thereof since the issuance of the ‘462 patent (“Accused Instrumentalities”).

66. On information and belief, Amazon has directly infringed and continues to infringe the ‘462 patent, for example, through its own use and testing of the Accused Instrumentalities, which when used, practices the method claimed by Claim 1 of the ‘462 patent, namely, a method for coding a video signal using hybrid coding, comprising: reducing temporal redundancy by block based motion compensated prediction in order to establish a prediction error signal; performing quantization on samples of the prediction error signal or on coefficients resulting from a transformation of the prediction error signal into the frequency domain to obtain quantized values, representing quantized samples or quantized coefficients respectively, wherein the prediction error signal includes a plurality of subblocks each including a plurality of quantized values;

calculating a first quantization efficiency for the quantized values of at least one subblock of the plurality of subblocks; setting the quantized values of the at least one subblock to all zeroes; calculating a second quantization efficiency for the at least one subblock while all of the quantized values are zeroes; selecting which of the first and second quantization efficiencies is a higher efficiency; and selecting, for further proceeding, the at least one subblock with the quantized values prior to setting the quantized values of the at least one subblock to all zeroes if the first quantization efficiency is higher and selecting the at least one subblock with the quantized values set to zero, for further proceeding, if the second quantization efficiency is higher. Upon information and belief, Amazon uses the Accused Instrumentalities to practice infringing methods for its own internal non-testing business purposes, while testing the Accused Instrumentalities, and while providing technical support and repair services for the Accused Instrumentalities to Amazon's customers.

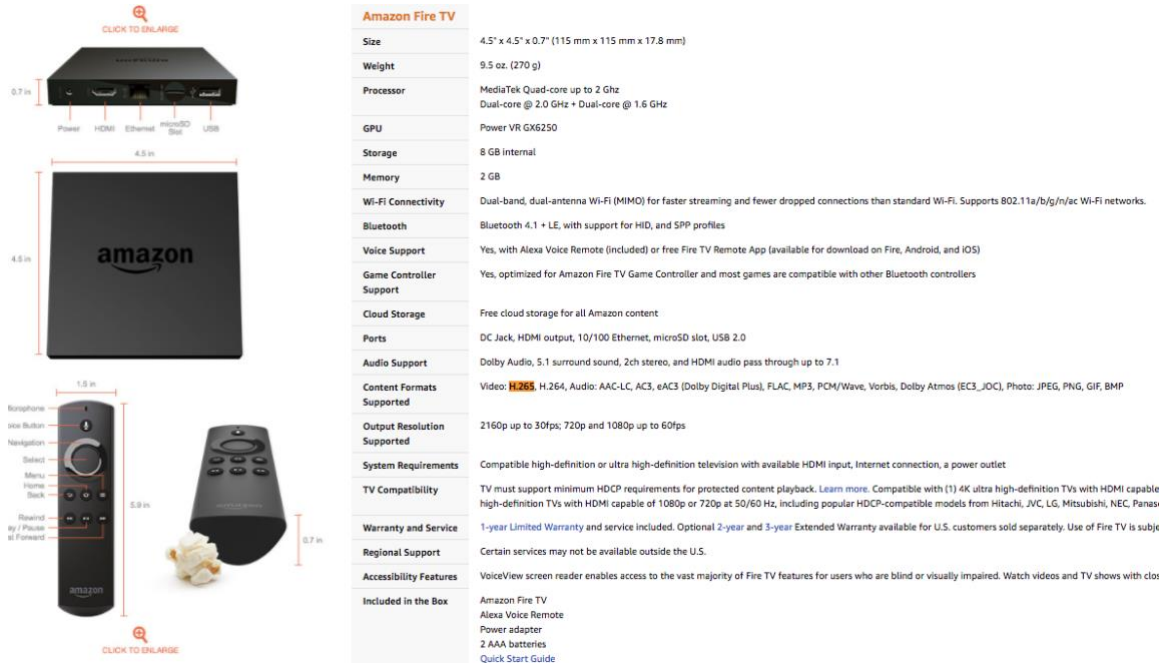
67. For example, the Accused Instrumentalities utilize the H.265 (or HEVC) video compression standard. Specifically, in an online article entitled "Amazon Highlights HEVC Support With New Fire TV Streaming Box," it is stated that Amazon "[i]n conjunction with Amazon's announcement of upgraded Fire TV and streaming stick hardware, the company [Amazon] specifically calls out **HEVC** on the Fire TV product page. Amazon notes that their Fire TV box is 'built to support **High Efficiency Video Coding (HEVC)**.' Amazon explains that, '**HEVC** is approximately 2x more efficient at encoding video than the current industry standard, which means less bandwidth is needed to deliver high-quality video streams. As a result, the majority of Fire TV customers will now experience more high-quality, 1080p streams from Amazon Video.'" See <https://blog.streamingmedia.com/2015/09/amazon-highlights-hevc-support.html>.

68. Furthermore, the official Amazon product site for the Fire TV (entitled "All-New Fire TV with 4K Ultra HD and Alexa Voice Remote (2017 Edition, Pendant) | Streaming Media Player") states under "Content formats supported" the codec "**H.265**."

See https://www.amazon.com/dp/B01N32NCPM/ref=ods_smp_se_d_needle_prostr:



69. In addition, the official Amazon product site for the “Fire TV – Previous Generation” also mentions “**H.265**” as one of the “Content Formats Supported.” See <https://www.amazon.com/Amazon-DV83YW-Fire-TV/dp/B00U3FPN4U/>:



70. Another website states that “[t]he 2nd-gen Fire TV, on the other hand, does have an **h.265** capable hardware decoder. That’s because it’s a 4K device and **h.265** is the preferred codec for 4K video streams from Netflix and Amazon Video... Moving

up to a 15 Mbps **H.265** video, which is around the quality used by Netflix and Amazon for 4K streaming, we can see the 2nd-gen Fire TV handles this without any issues because it was designed with dedicated hardware to handle this exact codec and bit rate. Lastly, we'll bump up the bit rate to 100 Mbps, which again, nobody would realistically use... The 2nd-gen Fire TV is handling this 100 Mbps **H.265** video without a sweat, thanks to its **H.265** capable hardware decoder." See <http://www.aftvnews.com/comparing-h-264-vs-h-265-video-playback-on-the-fire-tv-1-2-and-fire-tv-stick/>.

71. Another website describes the availability of 4K Ultra HD streaming on the Amazon Instant Video service and further states that "Instant Video will use the **High Efficiency Video Coding (HEVC)**, otherwise referred to as **H.265**, to compress the high quality streams. Most new Ultra HD TVs are capable of handling this signal as long as they have an **HEVC** decoding chip inside." See <https://www.theverge.com/2014/12/9/7359695/amazon-announces-4k-streaming-for-instant-video>.

72. The Accused Instrumentalities performs a method for coding a video signal using hybrid coding. For example, the aim of the coding process is the production of a bitstream, as defined in definition 3.12 of the ITU-T H.265 Series H: Audiovisual and Multimedia Systems, "Infrastructure of audiovisual services – Coding of moving video" High efficiency video coding ("HEVC Spec"): "bitstream: A sequence of bits, in the form of a NAL unit stream or a byte stream, that forms the representation of coded pictures and associated data forming one or more coded video sequences (CVSs)." See also, e.g., "Overview of the High Efficiency Video Coding (HEVC) Standard" by Gary J. Sullivan, Fellow, IEEE, Jens-Rainer Ohm, Member, IEEE, Woo-Jin Han, Member, IEEE, and Thomas Wiegand, Fellow, IEEE, published in IEEE TRANSACTIONS ON CIRCUITS AND SYSTEMS FOR VIDEO TECHNOLOGY, VOL. 22, NO. 12, DECEMBER 2012 ("IEEE HEVC") ("The video coding layer of HEVC employs the same hybrid approach (inter-/intrapicture prediction and 2-D transform coding) used in all

video compression standards since H.261”). *See also, e.g.,* HEVC Spec at 0.7 “Overview of the design characteristics.”

73. The Accused Instrumentalities reduce temporal redundancy by block based motion compensated prediction in order to establish a prediction error signal. For example, clause 8.5.3 Decoding process for prediction units in inter prediction mode and the subclauses thereof of the HEVC Spec describe the block based motion compensation techniques used in the decoding process. *See also, e.g.,* IEEE HEVC at 1651-1652 6) Motion compensation: Quarter-sample precision is used for the MVs, and 7-tap or 8-tap filters are used for interpolation of fractional-sample positions (compared to six-tap filtering of half-sample positions followed by linear interpolation for quarter-sample positions in H.264/MPEG-4 AVC). Similar to H.264/MPEG-4 AVC, multiple reference pictures are used. For each PB, either one or two motion vectors can be transmitted, resulting either in unipredictive or bipredictive coding, respectively. As in H.264/MPEG-4 AVC, a scaling and offset operation may be applied to the prediction signal(s) in a manner known as weighted prediction.”).

74. The Accused Instrumentalities perform quantization on samples of the prediction error signal or on coefficients resulting from a transformation of the prediction error signal into the frequency domain to obtain quantized values, representing quantized samples or quantized coefficients respectively. For example, the quantization parameter and the scaling (inverse quantization) are defined in definitions 3.112 (page 10) and 3.131 (page 11), respectively, the usage of the scaling process in the decoding being described in clause and 8.6 Scaling, transformation and array construction process prior to deblocking filter process of the HEVC Spec. *See also, e.g.,* IEEE HEVC at 1652 (“8) Quantization control: As in H.264/MPEG-4 AVC, uniform reconstruction quantization (URQ) is used in HEVC, with quantization scaling matrices supported for the various transform block sizes.”).

75. The Accused Instrumentalities perform a method wherein the prediction

error signal includes a plurality of subblocks each including a plurality of quantized values. For example, the quantized samples or transform coefficients from the subblock are scaled and transformed as described in above mentioned clause 8.6 of the HEVC Spec. *See also, e.g.,* IEEE HEVC at 1652 (“Prediction units and prediction blocks (PBs): The decision whether to code a picture area using interpicture or intrapicture prediction is made at the CU level. A PU partitioning structure has its root at the CU level. Depending on the basic prediction-type decision, the luma and chroma CBs can then be further split in size and predicted from luma and chroma prediction blocks (PBs). HEVC supports variable PB sizes from 64×64 down to 4×4 samples.”).

76. The Accused Instrumentalities perform a method of calculating a first quantization efficiency for the quantized values of at least one subblock of the plurality of subblocks; setting the quantized values of the at least one subblock to all zeroes; calculating a second quantization efficiency for the at least one subblock while all of the quantized values are zeroes; selecting which of the first and second quantization efficiencies is a higher efficiency; and selecting, for further proceeding, the at least one subblock with the quantized values prior to setting the quantized values of the at least one subblock to all zeroes if the first quantization efficiency is higher and selecting the at least one subblock with the quantized values set to zero, for further proceeding, if the second quantization efficiency is higher. For example, the bitstream resulting from the encoding as described in this last item of the claim contains all the relevant information as needed by the decoder for proper decoding. If the coefficients of the subblock are set to zero as a consequence of the efficiency calculation, the `coded_sub_block_flag`, as described in clause 7.4.9.11 Residual coding semantics, HEVC Spec, is set to 0, indicating that all the 16 coefficients of the coded sub block have been set to 0: “`coded_sub_block_flag[xS][yS]` specifies the following for the sub-block at location (`xS`, `yS`) within the current transform block, where a sub-block is a (4×4) array of 16 transform coefficient levels: – If `coded_sub_block_flag[xS][yS]` is equal to 0, the 16

transform coefficient levels of the sub-block at location (x_S , y_S) are inferred to be equal to 0.”

77. When `coded_sub_block_flag[x_S][y_S]` has not been set equal to 0, the position in the array of non 0 coefficients can be determined as follows:

- Otherwise (`coded_sub_block_flag[x_S][y_S]` is equal to 1), the following applies:
 - If (x_S , y_S) is equal to (0, 0) and (`LastSignificantCoeffX`, `LastSignificantCoeffY`) is not equal to (0, 0), at least one of the 16 `sig_coeff_flag` syntax elements is present for the sub-block at location (x_S , y_S).
 - Otherwise, at least one of the 16 transform coefficient levels of the sub-block at location (x_S , y_S) has a non zero value.

When `coded_sub_block_flag[x_S][y_S]` is not present, it is inferred as follows:

- If one or more of the following conditions are true, `coded_sub_block_flag[x_S][y_S]` is inferred to be equal to 1:
 - (x_S , y_S) is equal to (0, 0)
 - (x_S , y_S) is equal to (`LastSignificantCoeffX` >> 2 , `LastSignificantCoeffY` >> 2)
- Otherwise, `coded_sub_block_flag[x_S][y_S]` is inferred to be equal to 0.

HEVC Spec at 7.4.9.11 Residual coding semantics. Therefore, even though the coding algorithms than can be used for reaching specific efficiency targets are not specified by the HEVC Spec (as stated in clause 0.7), this particular combination of choices produces a valid bitstream that has to be decoded by a conformant decoder.

78. The infringement of the Accused Instrumentalities is also shown by way of considering the reference software (*see, e.g.,* <https://hevc.hhi.fraunhofer.de/>). Setting the flag `RDOQ=true` in the encoder configuration file enables rate-distortion-optimized quantization for transformed TUs. This feature is implemented in the HM reference

software as function xRateDistOptQuant in file TComTrQuant.cpp. In the function xRateDistOptQuant, the efficiency for setting all quantized values to zero is calculated and stored in the variable d64BestCost. In the variable iBestLastIdxP1, a 0 is stored indicating that all values starting from the 0th position are set to zero. Afterwards, the efficiency for keeping quantized values unequal to zero is calculated and stored in the variable totalCost. The variable iBestLastIdxP1 is adjusted correspondingly to values unequal to 0. The two efficiencies d64BestCost and totalCost are compared, and selecting for further proceeding either quantized values, which are all set to zero or quantized values, which are not all set to zero. All values starting from the position defined by the variable iBestLastIdxP1 are set to zero.

79. Calculation of the efficiency for setting all quantized values to zero and storing the result in the variable d64BestCost:

```
Double d64BestCost = 0;
Int ui16CtxCbf = 0;
Int iBestLastIdxP1 = 0;
if( !pcCU->isIntra( uiAbsPartIdx ) && isLuma(compID) && pcCU->getTransformIdx( uiAbsPartIdx ) == 0 )
{
    ui16CtxCbf = 0;
    d64BestCost = d64BlockUncodedCost + xGetICost( m_pcEstBitsSbac->blockRootCbpBits[ ui16CtxCbf ][ 0 ] );
    d64BaseCost += xGetICost( m_pcEstBitsSbac->blockRootCbpBits[ ui16CtxCbf ][ 1 ] );
}
else
{
    ui16CtxCbf = pcCU->getCtxQtCbf( rTu, channelType );
    ui16CtxCbf += getCBFContextOffset(compID);
    d64BestCost = d64BlockUncodedCost + xGetICost( m_pcEstBitsSbac->blockCbpBits[ ui16CtxCbf ][ 0 ] );
    d64BaseCost += xGetICost( m_pcEstBitsSbac->blockCbpBits[ ui16CtxCbf ][ 1 ] );
}
```

HEVC Reference Software (<https://hevc.hhi.fraunhofer.de/>).

80. Calculating the efficiency for keeping quantized values unequal to zero and storing the result in the variable totalCost:

```
Bool bFoundLast = false;
for (Int iCGScanPos = iCGLastScanPos; iCGScanPos >= 0; iCGScanPos--)
{
    UInt uiCGBlkPos = codingParameters.scanCG[ iCGScanPos ];

    d64BaseCost -= pdCostCoeffGroupSig[ iCGScanPos ];
    if (uiSigCoeffGroupFlag[ uiCGBlkPos ])
    {
        for (Int iScanPosinCG = uiCGSize-1; iScanPosinCG >= 0; iScanPosinCG--)
        {
            iScanPos = iCGScanPos*uiCGSize + iScanPosinCG;

            if (iScanPos > iLastScanPos) continue;
            UInt uiBlkPos = codingParameters.scan[iScanPos];

            if (piDstCoeff[ uiBlkPos ])
            {
                UInt uiPosY = uiBlkPos >> uiLog2BlockWidth;
                UInt uiPosX = uiBlkPos - ( uiPosY << uiLog2BlockWidth );

                Double d64CostLast = codingParameters.scanType == SCAN_VER ? xGetRateLast( uiPosY, uiPosX, compID ) :
                    xGetRateLast( uiPosX, uiPosY, compID );
                Double totalCost = d64BaseCost + d64CostLast - pdCostSig[ iScanPos ];
            }
        }
    }
}
```

HEVC Reference Software (<https://hevc.hhi.fraunhofer.de/>).

81. Comparing the two efficiencies d64BestCost and totalCost:

```
if( totalCost < d64BestCost )
{
    iBestLastIdxP1 = iScanPos + 1;
    d64BestCost    = totalCost;
}
```

HEVC Reference Software (<https://hevc.hhi.fraunhofer.de/>).

82. Selecting for further proceeding either quantized values, which are all set to zero or quantized values, which are not all set to zero:

```
//===== clean uncoded coefficients =====
for ( Int scanPos = iBestLastIdxP1; scanPos <= iLastScanPos; scanPos++ )
{
    piDstCoeff[ codingParameters.scan[ scanPos ] ] = 0;
}
```

HEVC Reference Software (<https://hevc.hhi.fraunhofer.de/>).

83. On information and belief, Amazon also directly infringes and continues to infringe other claims of the '462 patent, for similar reasons as explained above with respect to Claim 1 of the '462 patent.

84. On information and belief, all of the Accused Instrumentalities perform the claimed methods in substantially the same way, e.g., in the manner specified in the HEVC (or H.265) standard.

85. On information and belief, use of the Accused Instrumentalities in their ordinary and customary fashion results in infringement of the methods and/or systems claimed by the '462 patent.

86. On information and belief, Amazon has had knowledge of the '462 patent since at least the filing of this Complaint or shortly thereafter, and on information and belief, Amazon knew of the '462 patent and knew of its infringement, including by way of this lawsuit. By the time of trial, Amazon will have known and intended (since receiving such notice) that its continued actions would actively induce and contribute to

the infringement of the claims of the '462 patent.

87. Upon information and belief, Amazon's affirmative acts of making, using, and selling the Accused Instrumentalities, and providing implementation services and technical support to users of the Accused Instrumentalities, including, e.g., through training, demonstrations, brochures, installation and user guides, have induced and continue to induce users of the Accused Instrumentalities to use them in their normal and customary way to infringe the '462 patent by practicing a method for coding a video signal using hybrid coding, comprising: reducing temporal redundancy by block based motion compensated prediction in order to establish a prediction error signal; performing quantization on samples of the prediction error signal or on coefficients resulting from a transformation of the prediction error signal into the frequency domain to obtain quantized values, representing quantized samples or quantized coefficients respectively, wherein the prediction error signal includes a plurality of subblocks each including a plurality of quantized values; calculating a first quantization efficiency for the quantized values of at least one subblock of the plurality of subblocks; setting the quantized values of the at least one subblock to all zeroes; calculating a second quantization efficiency for the at least one subblock while all of the quantized values are zeroes; selecting which of the first and second quantization efficiencies is a higher efficiency; and selecting, for further proceeding, the at least one subblock with the quantized values prior to setting the quantized values of the at least one subblock to all zeroes if the first quantization efficiency is higher and selecting the at least one subblock with the quantized values set to zero, for further proceeding, if the second quantization efficiency is higher. For example, Amazon adopted HEVC (or H.265) as its video codec in its products/services, such as in its television products and streaming video services. For similar reasons, Amazon also induces its customers to use the Accused Instrumentalities to infringe other claims of the '462 patent. Amazon specifically intended and was aware that these normal and customary activities would infringe the '462 patent. Amazon performed the acts that

constitute induced infringement, and would induce actual infringement, with the knowledge of the '462 patent and with the knowledge, or willful blindness to the probability, that the induced acts would constitute infringement. On information and belief, Amazon engaged in such inducement to promote the sales of the Accused Instrumentalities. Accordingly, Amazon has induced and continue to induce users of the Accused Instrumentalities to use the Accused Instrumentalities in their ordinary and customary way to infringe the '462 patent, knowing that such use constitutes infringement of the '462 patent. Accordingly, Amazon has been, and currently is, inducing infringement of the '462 patent, in violation of 35 U.S.C. § 271(b).

88. Amazon has also infringed, and continues to infringe, claims of the '462 patent by offering to commercially distribute, commercially distributing, making, and/or importing the Accused Instrumentalities, which are used in practicing the process, or using the systems, of the '462 patent, and constitute a material part of the invention. Amazon knows the components in the Accused Instrumentalities to be especially made or especially adapted for use in infringement of the '462 patent, not a staple article, and not a commodity of commerce suitable for substantial noninfringing use. Accordingly, Amazon has been, and currently is, contributorily infringing the '462 patent, in violation of 35 U.S.C. § 271(c).

89. By making, using, offering for sale, selling and/or importing into the United States the Accused Instrumentalities, and touting the benefits of using the Accused Instrumentalities' compression features, Amazon has injured Realtime and is liable to Realtime for infringement of the '462 patent pursuant to 35 U.S.C. § 271.

90. As a result of Amazon's infringement of the '462 patent, Plaintiff Realtime is entitled to monetary damages in an amount adequate to compensate for Amazon's infringement, but in no event less than a reasonable royalty for the use made of the invention by Amazon, together with interest and costs as fixed by the Court.

COUNT V

INFRINGEMENT OF U.S. PATENT NO. 9,578,298

91. Plaintiff re-alleges and incorporates by reference the foregoing paragraphs, as if fully set forth herein.

92. Plaintiff Realtime is the owner by assignment of United States Patent No. 9,578,298 (“the ‘298 patent”) entitled “Method for Decoding 2D-Compatible Stereoscopic Video Flows.” The ‘298 patent was duly and legally issued by the United States Patent and Trademark Office on February 21, 2017. A true and correct copy of the ‘462 patent is included as Exhibit E.

93. On information and belief, Amazon has made, used, offered for sale, sold and/or imported into the United States Amazon products that infringe the ‘298 patent, and continues to do so. By way of illustrative example, these infringing products include, without limitation, Amazon’s tablet computers and television peripherals (e.g., Fire, Fire HD 8, Fire HDX 8.9, Fire HD 7 Fire, Fire HD 10, Kindle Fire HDX, Kindle Fire HD 8.9, Kindle Fire, Kindle Fire HDX 8.9, Kindle Fire HD, Fire TV (all generations), Fire TV Stick (all generations), etc.), Amazon Instant Video (including the version with 4K Ultra HD streaming), and all versions and variations thereof since the issuance of the ‘298 patent (“Accused Instrumentalities”).

94. On information and belief, Amazon has directly infringed and continues to infringe the ‘298 patent, for example, through its own use and testing of the Accused Instrumentalities, which when used, practices the method claimed by Claim 1 of the ‘298 patent, namely, a method for processing a video stream of digital images, the method comprising the steps of: receiving the video stream which comprises at least one composite frame (FC), each composite frame containing a pair of stereoscopic digital images (L,R) according to a predetermined frame packing format; generating an output video stream which can be reproduced on a visualization apparatus, receiving metadata which determine an area occupied by one of the two images within said composite frame

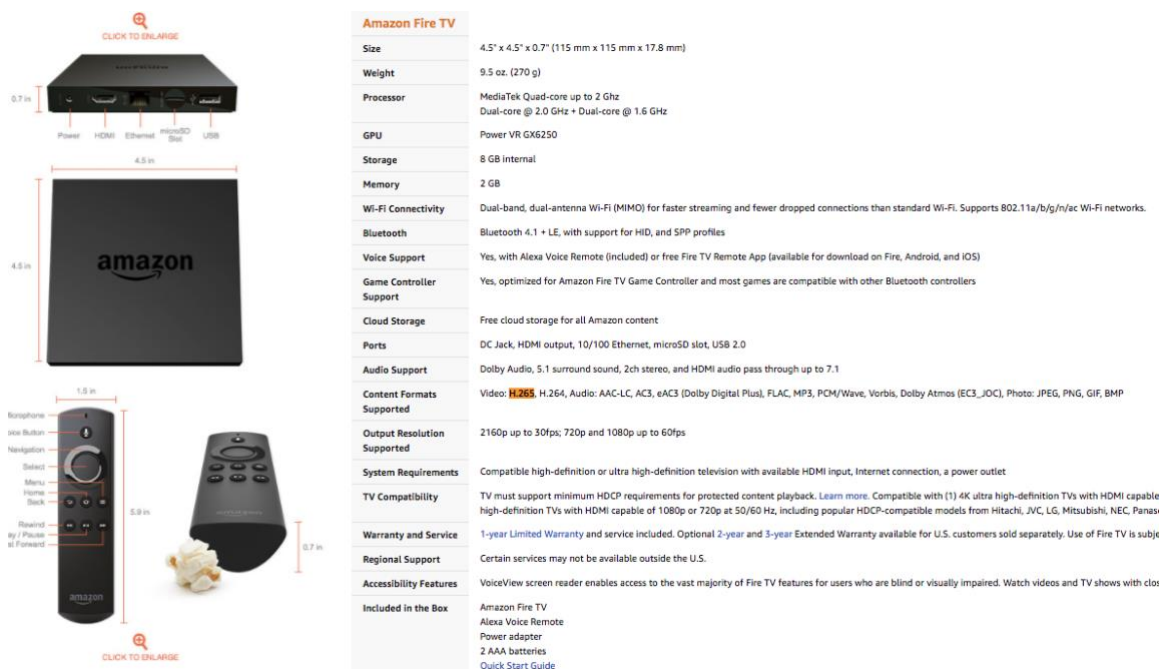
(FC), said metadata indicating either a geometry of the frame packing format or a frame packing type of said composite frame (FC); determining the area in the composite frame (FC) which is occupied by said one image of the stereoscopic pair within the composite frame based on said metadata; decoding only that part of the composite frame (FC) which contains said one image to be displayed, and generating an output frame containing said decoded image. Upon information and belief, Amazon uses the Accused Instrumentalities to practice infringing methods for its own internal non-testing business purposes, while testing the Accused Instrumentalities, and while providing technical support and repair services for the Accused Instrumentalities to Amazon's customers.

95. For example, the Accused Instrumentalities utilize the H.265 (or HEVC) video compression standard. Specifically, in an online article entitled "Amazon Highlights HEVC Support With New Fire TV Streaming Box," it is stated that Amazon "[i]n conjunction with Amazon's announcement of upgraded Fire TV and streaming stick hardware, the company [Amazon] specifically calls out **HEVC** on the Fire TV product page. Amazon notes that their Fire TV box is 'built to support **High Efficiency Video Coding (HEVC)**.' Amazon explains that, '**HEVC** is approximately 2x more efficient at encoding video than the current industry standard, which means less bandwidth is needed to deliver high-quality video streams. As a result, the majority of Fire TV customers will now experience more high-quality, 1080p streams from Amazon Video.'" See <https://blog.streamingmedia.com/2015/09/amazon-highlights-hevc-support.html>.

96. Furthermore, the official Amazon product site for the Fire TV (entitled "All-New Fire TV with 4K Ultra HD and Alexa Voice Remote (2017 Edition, Pendant) | Streaming Media Player") states under "Content formats supported" the codec "**H.265**." See https://www.amazon.com/dp/B01N32NCPM/ref=ods_smp_se_d_needle_prostr:



97. In addition, the official Amazon product site for the “Fire TV – Previous Generation” also mentions “**H.265**” as one of the “Content Formats Supported.” See <https://www.amazon.com/Amazon-DV83YW-Fire-TV/dp/B00U3FPN4U/>:



98. Another website states that “[t]he 2nd-gen Fire TV, on the other hand, does have an **h.265** capable hardware decoder. That’s because it’s a 4K device and **h.265** is the preferred codec for 4K video streams from Netflix and Amazon Video... Moving up to a 15 Mbps **h.265** video, which is around the quality used by Netflix and Amazon for 4K streaming, we can see the 2nd-gen Fire TV handles this without any issues

because it was designed with dedicated hardware to handle this exact codec and bit rate. Lastly, we'll bump up the bit rate to 100 Mbps, which again, nobody would realistically use...The 2nd-gen Fire TV is handling this 100 Mbps **h.265** video without a sweat, thanks to its **h.265** capable hardware decoder." See <http://www.aftvnews.com/comparing-h-264-vs-h-265-video-playback-on-the-fire-tv-1-2-and-fire-tv-stick/>.

99. Another website describes the availability of 4K Ultra HD streaming on the Amazon Instant Video service and further states that "Instant Video will use the **High Efficiency Video Coding (HEVC)**, otherwise referred to as **H.265**, to compress the high quality streams. Most new Ultra HD TVs are capable of handling this signal as long as they have an **HEVC** decoding chip inside." See <https://www.theverge.com/2014/12/9/7359695/amazon-announces-4k-streaming-for-instant-video>.

100. The Accused Instrumentalities receive the video stream which comprises at least one composite frame (FC), each composite frame containing a pair of stereoscopic digital images (L,R) according to a predetermined frame packing format. For example, the coded bitstream when it contains a stereoscopic video in one of the frame packing arrangements such as side-by-side or top-and-bottom or segmented rectangular frame packing format as defined in the following sections of the ITU-T H.265 Series H: Audiovisual and Multimedia Systems, "Infrastructure of audiovisual services – Coding of moving video" High efficiency video coding ("HEVC Spec"): D.2.16 Frame packing arrangement SEI message syntax, D.3.16 Frame packing arrangement SEI message semantics, D.2.29 Segmented rectangular frame packing arrangement SEI message syntax, D.3.29 Segmented rectangular frame packing arrangement SEI message semantics.

101. The Accused Instrumentalities generate an output video stream which can be reproduced on a visualization apparatus. For example, the output of the decoding process as defined above is a sequence of decoded pictures. See, e.g., HEVC Spec at

3.39 (“3.39 decoded picture: A decoded picture is derived by decoding a coded picture”). Decoded pictures are the input of the display process. *Id.* at 3.47 (“3.47 display process: A process not specified in this Specification having, as its input, the cropped decoded pictures that are the output of the decoding process.”).

102. The Accused Instrumentalities receive metadata which determine an area occupied by one of the two images within said composite frame, said metadata indicating either a geometry of the frame packing format or a frame packing type of said composite frame. For example, the HEVC spec provides the default display window parameter to support 2D compatible decoding of stereo formats. *See, e.g.*, HEVC Spec (“NOTE 9 – The default display window parameters in the VUI parameters of the SPS can be used by an encoder to indicate to a decoder that does not interpret the frame packing arrangement SEI message that the default display window is an area within only one of the two constituent frames.”).

103. The Accused Instrumentalities determine the area in the composite frame (FC) which is occupied by said one image of the stereoscopic pair within the composite frame based on said metadata. For example, the default display window parameter has been defined to support this application. The parameter syntax is defined in clause E.2.1 VUI parameters syntax, the semantics thereof being described in clause E.3.1 VUI parameters semantics. The usage of the Default Display Window for signaling the 2D single view in a stereoscopic frame packing format is illustrated in Note 9 of clause D.3.16 and Note 3 in Clause D.3.29 cited above.

104. The Accused Instrumentalities decode only that part of the composite frame which contains said one image to be displayed. For example, tiles are intended to support independent decoding of different picture regions. Clause 7.4.3.2.1 cited above illustrates the process to convert CTB picture scan in CTB tile scan to enable independent decoding of the tile. *See also* HEVC Spec:

row_height_minus1[i] plus 1 specifies the height of the i-th tile row in units of coding tree blocks.

The following variables are derived by invoking the coding tree block raster and tile scanning conversion process as specified in clause 6.5.1:

- The list CtbAddrRsToTs[ctbAddrRs] for ctbAddrRs ranging from 0 to PicSizeInCtbsY – 1, inclusive, specifying the conversion from a CTB address in the CTB raster scan of a picture to a CTB address in the tile scan,
- the list CtbAddrTsToRs[ctbAddrTs] for ctbAddrTs ranging from 0 to PicSizeInCtbsY – 1, inclusive, specifying the conversion from a CTB address in the tile scan to a CTB address in the CTB raster scan of a picture,
- the list TileId[ctbAddrTs] for ctbAddrTs ranging from 0 to PicSizeInCtbsY – 1, inclusive, specifying the conversion from a CTB address in tile scan to a tile ID,
- the list ColumnWidthInLumaSamples[i] for i ranging from 0 to num_tile_columns_minus1, inclusive, specifying the width of the i-th tile column in units of luma samples,
- the list RowHeightInLumaSamples[j] for j ranging from 0 to num_tile_rows_minus1, inclusive, specifying the height of the j-th tile row in units of luma samples.

The values of ColumnWidthInLumaSamples[i] for i ranging from 0 to num_tile_columns_minus1, inclusive, and RowHeightInLumaSamples[j] for j ranging from 0 to num_tile_rows_minus1, inclusive, shall all be greater than 0.

The array MinTbAddrZs with elements MinTbAddrZs[x][y] for x ranging from 0 to (PicWidthInCtbsY << (CtbLog2SizeY – MinTbLog2SizeY)) – 1, inclusive, and y ranging from 0 to (PicHeightInCtbsY << (CtbLog2SizeY – MinTbLog2SizeY)) – 1, inclusive, specifying the conversion from a location (x, y) in units of minimum transform blocks to a transform block address in z-scan order, is derived by invoking the z-scan order array initialization process as specified in clause 6.5.2.

105. The Accused Instrumentalities generate an output frame containing said extracted image. For example, there is an output of the tile decoding process. *See, e.g.,* HEVC Spec at 8.1.1 (“8.1.1 General...Input to this process is a bitstream. Output of this process is a list of decoded pictures.”).

106. On information and belief, Amazon also directly infringes and continues to infringe other claims of the ’298 Patent, for similar reasons as explained above with respect to Claim 1 of the ’298 Patent.

107. On information and belief, all of the Accused Instrumentalities perform the claimed methods in substantially the same way, e.g., in the manner specified in the HEVC (or H.265) standard.

108. On information and belief, use of the Accused Instrumentalities in their ordinary and customary fashion results in infringement of the methods claimed by the ’298 Patent.

109. On information and belief, Amazon has had knowledge of the ’298 Patent since at least the filing of this Complaint or shortly thereafter, and on information and

belief, Amazon knew of the '298 Patent and knew of its infringement, including by way of this lawsuit. By the time of trial, Amazon will have known and intended (since receiving such notice) that its continued actions would actively induce and contribute to the infringement of the claims of the '298 Patent.

110. Upon information and belief, Amazon's affirmative acts of making, using, and selling the Accused Instrumentalities, and providing implementation services and technical support to users of the Accused Instrumentalities, including, e.g., through training, demonstrations, brochures, installation and user guides, have induced and continue to induce users of the Accused Instrumentalities to use them in their normal and customary way to infringe the '298 by practicing a method for processing a video stream of digital images, the method comprising the steps of: receiving the video stream which comprises at least one composite frame (FC), each composite frame containing a pair of stereoscopic digital images (L,R) according to a predetermined frame packing format; generating an output video stream which can be reproduced on a visualization apparatus, receiving metadata which determine an area occupied by one of the two images within said composite frame (FC), said metadata indicating either a geometry of the frame packing format or a frame packing type of said composite frame (FC); determining the area in the composite frame (FC) which is occupied by said one image of the stereoscopic pair within the composite frame based on said metadata; decoding only that part of the composite frame (FC) which contains said one image to be displayed, and generating an output frame containing said decoded image. For example, Amazon adopted HEVC (or H.265) as its video codec in its products/services, such as in its television products and streaming video services. For similar reasons, Amazon also induces its customers to use the Accused Instrumentalities to infringe other claims of the '298 Patent. Amazon specifically intended and was aware that these normal and customary activities would infringe the '298 Patent. Amazon performed the acts that constitute induced infringement, and would induce actual infringement, with the knowledge of the '298

Patent and with the knowledge, or willful blindness to the probability, that the induced acts would constitute infringement. On information and belief, Amazon engaged in such inducement to promote the sales of the Accused Instrumentalities. Accordingly, Amazon has induced and continue to induce users of the Accused Instrumentalities to use the Accused Instrumentalities in their ordinary and customary way to infringe the '298 Patent, knowing that such use constitutes infringement of the '298 Patent. Accordingly, Amazon has been, and currently is, inducing infringement of the '298 Patent, in violation of 35 U.S.C. § 271(b).

111. Amazon has also infringed, and continues to infringe, claims of the '298 Patent by offering to commercially distribute, commercially distributing, making, and/or importing the Accused Instrumentalities, which are used in practicing the process, or using the systems, of the '298 Patent, and constitute a material part of the invention. Amazon knows the components in the Accused Instrumentalities to be especially made or especially adapted for use in infringement of the '298 Patent, not a staple article, and not a commodity of commerce suitable for substantial noninfringing use. Accordingly, Amazon has been, and currently is, contributorily infringing the '298 Patent, in violation of 35 U.S.C. § 271(c).

112. By making, using, offering for sale, selling and/or importing into the United States the Accused Instrumentalities, and touting the benefits of using the Accused Instrumentalities' compression features, Amazon has injured Realtime and is liable to Realtime for infringement of the '298 Patent pursuant to 35 U.S.C. § 271.

113. As a result of Amazon's infringement of the '298 Patent, Plaintiff Realtime is entitled to monetary damages in an amount adequate to compensate for Amazon's infringement, but in no event less than a reasonable royalty for the use made of the invention by Amazon, together with interest and costs as fixed by the Court.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff Realtime respectfully requests that this Court enter:

- a. A judgment in favor of Plaintiff that Amazon has infringed, literally and/or under the doctrine of equivalents, the '535, '477, '442, '462 and '298 patents (the "asserted patents");
- b. A judgment and order requiring Amazon to pay Plaintiff its damages, costs, expenses, and prejudgment and post-judgment interest for its infringement of the asserted patents, as provided under 35 U.S.C. § 284;
- c. A judgment and order requiring Amazon to provide an accounting and to pay supplemental damages to Realtime, including without limitation, prejudgment and post-judgment interest;
- d. A judgment and order finding that this is an exceptional case within the meaning of 35 U.S.C. § 285 and awarding to Plaintiff its reasonable attorneys' fees against Amazon; and
- e. Any and all other relief as the Court may deem appropriate and just under the circumstances.

DEMAND FOR JURY TRIAL

Plaintiff, under Rule 38 of the Federal Rules of Civil Procedure, requests a trial by jury of any issues so triable by right.

Dated: December 1, 2017

Respectfully submitted,

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